

## Message Text

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ACTION AID-59

INFO OCT-01 EUR-12 ISO-00 EB-07 IGA-02 L-03 COME-00 OMB-01

TRSE-00 AGR-05 CIAE-00 INR-07 NSAE-00 /097 W

----- 011108

P 271601Z APR 76

FM AMEMBASSY ATHENS

TO SECSTATE WASHDC PRIORITY 3939

LIMITED OFFICIAL USE SECTION 1 OF 2 ATHENS 4014

EO 11652: NA

TAGS: EAID GR

SUBJECT: PROPOSED AID COMMODITY IMPORT ASSISTANCE

REF: A. ATHENS 3797, B. ATHENS 3754, C. STATE 90002.

1. EMBASSY RECEIVED GOG COMMENTS ON DRAFT AID LOAN AGREEMENT ON APR 27, TOGETHER WITH A REVISED LIST OF CATEGORIES ON ELIGIBLE COMMODITIES. THE TEXT OF THE COMMENTS IS CONTAINED IN PARA 2, AND THE COMMODITY CATEGORIES IN PARA 3. THE ORIGINAL IS BEING AIR POUCHED TO AID/CM UNDER REGISTRY 383760.

2. QUOTE SUGGESTIONS, COMMENTS AND CLARIFICATIONS ON THE DRAFT LOAN AGREEMENT BETWEEN THE UNITED STATES OF AMERICA, ACTING THROUGH THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND THE REPUBLIC OF GREECE.

A. SUGGESTED CHANGES

ARTICLE I

WE SUGGEST THAT THE TITLE SHOULD READ: "THE LOAN-THE AGENT".

SECTION 1.01

WE GUSSEST THAT 6TH LINE SHOULD READ: "SERVICES ARE DEFINED BY THE RELEVANT REGULATIONS OF AID, NEEDED TO ASSIST THE"

WE SUGGEST THAT TANOTHER SECTION BE ADDED, AS FOLLOWS.

"SECTION 1.02. THE AGENT. THE BORROWER DESIGNATES HEREBY THE BANK OF GREECE AS ITS AGENT REGARDING THE PURPOSES

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SPECIFIED IN SECTION 8.02 HEREOF. IN THIS CONNECTION,

EXCEPT AS WHEREVER SPECIFICALLY STATED HEREIN, THE TERM  
"BORROWER" MEANS, AS THE CASE MAY BE, EITHER THE MINISTRY  
OF FINANCE OR THE BANK OF GREECE OR BOTH OF THEM".

ARTICLE II.

SECTION 2.05

WE SUGGEST THAT THIS SECTION BE DELETED.

ARTICLE III

SECTION 3.01 (A).

WE SUGGEST THAT THE FIRST TWO LINES READ AS FOLLOWS:

"(A) AN OPINION OR OPINIONS OF THE LEGAL ADVISOR OF  
THE MINISTRY OF COORDINATION AND PLANNING OF THE REPUBLIC  
OF GREECE - THAT"

ARTICLE IV.

SECTION 4.01.

WE SUGGEST THAT THIS SECTION SHOULD READ AS  
FOLLOWS: "SECTION 4.01 SOURCE REQUIREMENT. FOR PUR-  
POSES OF DETERMINING THE ELIGIBILITY OF "ELIGIBLE ITEMS",  
THE RELEVANT GEOGRAPHIC CODE OF THE UNITED STATES OF  
AMERICA IS APPLICABLE. ELIGIBLE COMMODITIES SHALL MEET  
THE "SOURCE REQUIREMENTS OF THE RELEVANT AID  
REGULATIONS".

SECTION 4.03 (A)

WE SUGGEST THAT THE 5TH LINE SHOULD READ AS FOLLOWS:

"SERVICES AS DEFINED IN THE RELEVANT AID REGULATIONS  
ARE ELIGIBLE FOR"

WE ALSO SUGGEST THAT THE FINAL TWO LINES (10TH AND 11TH)  
SHOULD READ AS FOLLOWS:

"WITH THE PURPOSE OF THE LOAN OR OF THE RELEVANT  
FOREIGN ASSISTANCE ACT."

SECTION 4.03 (B)

WE SUGGEST THAT THE 3D LINE SHOULD READ AS FOLLOWS:

"DESCRIBED BY THE RELEVANT CODES ON THE COMMODITY  
ELIGIBILITY LISTING".

SECTION 4.04.

WE SUGGEST THAT THE 3D LINE SHOULD READ AS FOLLOWS:

"DESCRIBED IN THE RELEVANT AID REGULATIONS".

SECTION 4.05 (A)

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WE SUGGEST THAT THE FIRST LINE SHOULD READ AS FOLLOWS:

"(A) THE PROVISIONS OF THE RELEVANT AID REGULATIONS"

SECTION 4.07 (B)

WE SUGGEST THAT THE 4TH LINE SHOULD READ AS FOLLOWS:

"NOT INCLUDED IN THE RELEVANT AID CODE AS IN"

ARTICLE V.

SECTION 5.01 (C) (2)

WE SUGGEST THAT IT SHOULD READ AS FOLLOWS:

"(2) AID FORM 282 SUPPLIER'S CERTIFICATE, A SAMPLE OF WHICH IS ATTACHED HERETO AS EXHIBIT B, EXECUTED BY THE SUPPLIER".

SECTION 5.06.

WE SUGGEST THAT THE 3D LINE SHOULD READ AS FOLLOWS:

"DOCUMENTATION RECEIVED AFTER DEC 31, 1978"

ARTICLE VI.

SECTION 6.07.

SUGGEST THAT THIS SECTION SHOULD READ AS FOLLOWS:

"SECTION 6.07, US TREASURY DEPARTMENT REGULATIONS. PROCUREMENT TRANSACTIONS SHALL COMPLY WITH THE REQUIREMENTS OF THE RELEVANT REGULATIONS OF THE US TREASURY DEPARTMENT".

ARTICLE VII.

SECTION 7.03 (B)

WE SUGGEST THAT THE FIRST LINE SHOULD READ AS FOLLOWS:

"(B) AN EVENT OCCURS THAT AID AND THE BORROWER DETERMINE MAKES IT"

SECTION 7.06

SUGGEST THE DELETION OF THE SECOND PARAGRAPH, BEGINNING WITH "EXCEPT AS AID MAY OTHERWISE AGREE IN WRITING". AND ENDING WITH "NOT BE AVAILABLE FOR REUSE UNDER THE AGREEMENT".

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ACTION AID-59

INFO OCT-01 EUR-12 ISO-00 EB-07 IGA-02 L-03 COME-00 OMB-01

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FM AMEMBASSY ATHENS

TO SECSTATE WASHDC PRIORITY 3940

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ARTICLE VIII.

SECTION 8.01.

SUGGEST THAT FOLLOWING BE ADDED NEXT TO BORROWER:

"MINISTRY OF FINANCE  
GENERAL ACCOUNTING OFFICE  
37 E. VENIZELOU STREET  
ATHENS, GREECE

WITH COPIES TO:

BANK OF GREECE  
21 E. VENIZELOU STREET (CABLE ADDRESS: BANGRECE)  
ATHENS, GREECE  
(IN THE ORDER STATED ABOVE OR VICE VERSA, AS THE CASE  
MAY BE)".

SECTION 8.02

THE BORROWER WILL BE REPRESENTED, FOR THE PURPOSES  
OF THIS AGREEMENT, REGARDING THE PAYMENT OF INTEREST,  
PRINCIPAL, REFULDS AND EXPENSES OF COLLECTION, PREPAY-  
MENT, TAXATION, EVENTS OF DEFAULT, SUSPENSION OF  
DISBURSEMENTS AND THE ISSUE OF PROMISSORY NOTES, BY THE  
MINISTER OF FINANCE, AND FOR ALL OTHER PURPOSES HEREOF  
BY THE GOVERNOR OR THE VICE GOVERNORS OF THE BANK OF  
GREECE.

SECTION 8.03.

SUGGEST THAT THIS SECTION BE DELETED AS THE SUBJECT  
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IS COVERED ALREADY BY SECTION 4.10.

SECTION 8.04.

WE SUGGEST THAT THIS SECTION SHOULD READ AS FOLLOWS:

"SECTION 8.04. PROMISSORY NOTES. AT SUCH TIME OR TIMES  
AS AID MAY REQUEST, THE BORROWER SHALL ISSUE PROMISSORY  
NOTES IN THE FORM OF EXHIBIT C ANNEXED HERETO.

B. COMMENTS.

MOST OF THE CHANGES WE SUGGEST IN THE TEXT OF THE  
DRAFT AGREEMENT ARE OF MINOR IMPORTANCE AND DO NOT ALTER  
THE SUBSTANCE OF THE TEXT. THEY CONCERN CLAUSES IN  
WHICH SPECIFIC ACTS, CODES AND REGULATIONS ARE MENTIONED.  
WE SUGGEST TO AVOID SUCH SPECIFIC REFERENCES IN THE TEXT,  
SINCE OTHERWISE WE SHALL BE OBLIGED TO TRANSLATE INTO  
GREEK ALL THE ACTS, CODES AND REGULATIONS WHICH ARE  
SPECIFICALLY MENTIONED IN THE AGREEMENT AND  
APPEND THEM TO THE TEXT OF THE AGREEMENT. WE SUGGEST  
INSTEAD TO REFER TO THE SPECIFIC ACTS, CODES AND REGULATIONS  
IN A LETTER WHICH WILL BE SIGNED BY THE BORROWER.

WE SUGGESTED THE DELETION OF SECTION 2.05, ON THE  
RENEGOTIATION OF THE TERMS OF THE LOAN, BECAUSE AS IT

IS PHRASED THE BORROWER IS OBLIGED TO RENEGOTIATE THE TERMS OF THE LOAN WHENEVER AID DECIDES THAT THE ECONOMIC AND FINANCIAL POSITION OF GREECE HAS IMPROVED. MOREOVER, NO OBJECTIVE CRITERIA ARE STATED BY WHICH THE DEGREE OF IMPROVEMENT MAY BE AGREED UPON. WE PREFER THE DELETION OF THIS SECTION, BUT IF THIS IS NOT POSSIBLE, WE SUGGEST THAT IT BE REPHRASED, SO AS TO GIVE THE BORROWER THE RIGHT TO DECIDE WITH AID WHETHER THERE HAS BEEN AN IMPROVEMENT IN GREECE'S ECONOMIC AND FINANCIAL POSITION.

CONCERNING SECTION 5.06, WE SUGGESTED THAT DISBURSEMENTS BE TERMINATED IN DEC 1978, IN ORDER TO MAKE IT ABSOLUTELY SURE THAT THE AMOUNT OF THE LOAN WILL BE EXHAUSTED.

WE SUGGESTED THE DELETION OF THE SECOND PARAGRAPH OF SECTION 7.06, BECAUSE WE FEEL THAT ANY REFUNDS BY THE BORROWER RESULTING FROM VIOLATIONS OF THE TERMS OF THE AGREEMENT, SHOULD NOT BE DEDUCTED FROM THE AMOUNT LIMITED OFFICIAL USE

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OF THE LOAN. ANY VIOLATION WHICH MAY GIVE RISE TO A CLAIM FOR REFUND IT WOULD BE COMMITTED AS A RESULT OF AN OVERSIGHT OR MISINTERPRETATION OF THE RELEVANT REGULATIONS AND THEREFORE IT IS REASONABLE TO ASK FOR THE RECONSTITUTION OF THE AMOUNT OF THE REFUND, AS IT WAS ALWAYS THE CASE IN THE PAST PROCEDURES OF AID FINANCING THROUGH PROCUREMENT AUTHORIZATIONS.

#### C. CLARIFICATIONS.

WE WOULD APPRECIATE IF AID COULD CLARIFY CERTAIN POINTS OF THE TEXT OF THE DRAFT AGREEMENT. THESE POINTS ARE THE FOLLOWING:

SECTION 4.05.

WE WOULD APPRECIATE A DEFINITION OF THE: "PUBLIC SECTOR MANUFACTURING UNDERTAKINGS".

SECTION 4.06.

WE WOULD APPRECIATE IF AID COULD CLARIFY FURTHER THE PHRASE: "THE PURCHASE OF COMMODITIES OF COMMODITY-RELATED SERVICES FOR USE IN THE CONSTRUCTION,.....OF ANY ONE PHYSICAL FACILITY..."

SECTION 4.08.

WE WOULD APPRECIATE A DEFINITION OF: "MOTOR VEHICLES MANUFACTURED IN THE UNITED STATES". WE WOULD ALSO LIKE TO KNOW WHETHER SUCH RESTRICTIONS APPLY TO OTHER COMMODITIES APART FROM MOTOR VEHICLES.

SECTION 4.09

WE UNDERSTAND THAT THE MINIMUM AMOUNT OF \$10,000 REFERS

TO VOUCHERS AND NOT TO IMPORT DOCUMENTS, WHICH MAY  
 CONCERN SMALLER AMOUNTS. THIS WE DEDUCE FROM THE LAST  
 SENTENCE OF THE SECTION, NAMELY: "THE MINIMUM SIZE  
 OF TRANSACTION RESTRICTION IS NOT APPLICABLE FOR  
 END-USE IMPORTERS". ARE WE ASSUMING CORRECTLY?  
 SECTION 6.04.

WOULD APPRECIATE SOME FURTHER EXPLANATIONS ON THE  
 MEANING AND PURPOSE OF THIS SECTION. THE WORDING OF THE  
 SECTION AND ESPECIALLY THE USE OF THE WORDS "WARRANTS  
 AND COVENANTS" MAY RAISE SOME LEGALISTIC QUESTIONS.  
 PERHAPS IF THIS SECTION IS REPHRASED SO AS TO INDICATE  
 WHAT KINDS OF PAYMENTS ARE ACCEPTABLE UNDER THE  
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AGREEMENT, OR WHAT KINDS OF PAYMENTS ARE EXCLUDED, MAY  
 BE SUFFICIENT TO ENSURE THE PURPOSE FOR WHICH THIS  
 SECTION IS INTENDED.

FINALLY, WE WOULD APPRECIATE IF AID COULD  
 SUPPLY US WITH SAMPLES OF ALL THE DOCUMENTS REFERRED TO  
 IN THE DRAFT AGREEMENT. END QUOTE

### 3. QUOTE MAJOR CATEGORIES OF US EXPORTS TO GREECE

SB SUBGROUP	DESCRIPTION	DOLLQR VALUE EXPORTED DURING CY 1975
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04	CEREALS AND CEREAL PREPARATIONS	
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08	FEEDING-STUFF FOR ANIMALS, EXCLUDING UNMILLED CEREALS	
----	--	--

51	CHEMICAL ELEMENTS AND COMPOUNDS	
----	---------------------------------	--

54	MEDICINAL AND PHARMACEUTICAL PRODUCTS	
----	---------------------------------------	--

58	SYNTHETIC RESINS AND PLASTIC MATERIALS	
----	--	--

59	CHEMICAL PRODUCTS AND MATERIALS, N.E.C.	
----	--	--

61	LEATHR, LEATHER MANUFACTURES, N.E.C, AND DRESSED FUR SKINS.	
----	--	--

64	PAPER, PAPERBOARD AND MANF.	
----	-----------------------------	--

65	YARN, FABRIC AND ARTICLES, TEXTILE	
----	------------------------------------	--

67	IRON AND STEEL	
----	----------------	--

69	MANF. OF METALS, N.E.C.	
----	-------------------------	--

71	MACHINERY, NONELECTRIC	
----	------------------------	--

72        ELECTRICAL MANCHINERY, APPR, AND APPL.

73        TRANSPORT EQUIPMENT

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86        PROF. PHOTO ETC. GOODS; CLOCKS, ETC.

END QUOTE

STEARNS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ASSISTANCE, IMPORTS, COMMODITIES, AGREEMENT DRAFT, TEXT, LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 APR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** coburnhl  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976ATHENS04014  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760160-0090  
**From:** ATHENS  
**Handling Restrictions:** n/a  
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**Legacy Key:** link1976/newtext/t19760420/aaaaaqjp.tel  
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**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION AID  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 7  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 ATHENS 3797, 76 ATHENS 3754, 76 STATE 90002  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** coburnhl  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 29 APR 2004  
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**Review Exemptions:** n/a  
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**Subject:** PROPOSED AID COMMODITY IMPORT ASSISTANCE  
**TAGS:** EAID, ETRD, GR, US  
**To:** STATE  
**Type:** TE  
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